



Department of Justice

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TEXAS COMPANY CHARGED WITH CONSPIRING TO DEFRAUD CUSTOMER

WASHINGTON, D.C. -- A Texas water and wastewater treatment equipment supply company was charged today with conspiring to commit mail and wire fraud in connection with a kickback scheme used to defraud one of its customers, the Department of Justice announced.

A one-count felony charge was filed in U.S. District Court in Atlanta against Pumps, Valves & Equipment Inc. (PVE), which does business as The Scruggs Company, of Houston, Texas, for participating in a conspiracy to defraud the Henry Pratt Company of Aurora, Illinois. Henry Pratt is a manufacturer and supplier of equipment used in water and wastewater treatment plants, nuclear power plants, and other industrial installations. The Department charged that PVE paid more than \$90,000 in kickbacks to one of Henry Pratt's now former employees to secure business from that company. PVE participated in the conspiracy from early 1996 until May 1998.

"This type of scheme deprives companies of their right to the honest services of their employees and to fair and competitive pricing," said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program.

Today's charge is the fourth to arise out of an ongoing investigation in Atlanta of the water and wastewater treatment equipment industry being conducted jointly by the Antitrust Division's Atlanta Field Office and the Federal Bureau of Investigation in Atlanta.

PVE is charged with violating 18 U.S.C. § 371, which carries a maximum fine of \$500,000 for a corporation. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Anyone with information concerning bid rigging or kickbacks in the water and wastewater treatment equipment industry should contact the Atlanta Office of the Antitrust Division at (404) 331-7100.

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